

STREET FINANCING OPTIONS REVIEW -- FINANCE WORK GROUP SCORE SHEET

Evaluation Criteria	G.O. Bonds	Hwy. Alloc. Bonds	Sales Tax: Gen.	Sales Tax: Vehs.	City Wage Tax	City Wheel Tax	Occup. Tax: Fuels	Spec. Fund. Dists.	SID's	Reall. Exist. Funds
1. User Fee Based – Fees paid by those who use the system/service										
2. Deductibility – Fees/taxes can be deducted from income tax obligation										
3. Ease of Approval - Relatively easy to put fee/tax in place										
4. Broadly Base – Paid by wide range of users, including non-Lincoln residents										
5. Application Ease – Collection and enforcement system easy to establish										
6. Stability of Source – Would be a predictable and steady revenue source										
7. Progressive Tax/Fee – Would be considered a progressive (not regressive)										
8. Bondable – Revenue source would be available for bonding purposes										
9. Amount of Revenue – Provides potential for large sums of revenue										
10. Public Policy – Politically acceptability & easy to understanding										
OVERALL RATING – Should option remain for serious consideration?										

Evaluation Criteria

1. **User Fee Based** – Fees/taxes are paid by those who use or benefit from the service.
 2. **Deductibility** – Fees/taxes are deductible for income tax purpose.
 3. **Ease of Approval** – Fees/taxes are relatively easy to put into place. What actions would be required to institute fee/tax? State Legislature? Mayor and City Council? Vote of Lincoln electorate?
 4. **Broadly Based** – Fees/taxes capture service users who live outside of Lincoln.
 5. **Application Ease** – An enforcement and collection system for the fees/taxes can be put in place with relative ease.
 6. **Stability of Source** – The revenues from the fees/taxes could be counted upon as a stable and reliable income source.
 7. **Progressive Tax/Fee** – Fees/taxes are considered to be “progressive” rather than “regressive” in their application.
 8. **Bondable** – Fees/taxes could be used as a source for the issuance and repayment of bonds.
 9. **Amount of Revenue** – Fees/taxes provide a sufficient amount of revenue to warrant their use.
 10. **Public Policy** – Fees/taxes are easily understood by the electorate and would be considered “politically acceptable.”
-

Fees/Taxes Meet Evaluation Criteria Scoring

5 = Strongly Agree

4 = Agree

3 = Neutral

2 = Disagree

1 = Strongly Disagree

Funding Source Options Descriptions

1. **G.O. Bonds** – These option involves issuance of General Obligation (G.O.) bonds by the City. These bonds could be issued only with an affirmative vote of the electorate. G.O. bonds carry the full faith and credit of the City. Such bonds would presumably be paid off from property taxes levied to service the debt of the bonds.
2. **Highway Allocation Bonds** – These bonds issued by the City and would serviced from funds received from Federal and State fuel tax and City Wheel Tax. The bonds would, however, bear the full faith and credit of the City. They could be issued by the City based solely on the action of the Council and Mayor -- i.e., no vote of the electorate is required. These bonds do not in and of themselves create a new revenue source but rather allow for the bonding of anticipated revenue streams.
3. **Sales Tax: General** – This proposal would look at increasing the City’s existing general sales tax of 1.5 percent. State authorization for the increase would required. A vote of the elector would also likely be required.
4. **Sales Tax: Vehicles** – This proposal would look at increasing the City’s exiting vehicle sales tax of 1.5 percent. State authorization for the increase would required. A vote of the elector would also likely be required.
5. **City Wage Tax** – This option would provide for the instituting a City tax on earned wages. State authorization to impose this tax would be required. The need for voter approval would depend on how authorization legislation was crafted although it is likely that a vote of the citizenry would be expected.
6. **City Wheel Tax** – This option would increase the existing City wheel tax by an unspecified amount. Only Council and Mayor action is needed to approve increase.
7. **Occupation Tax on Sale of Motor Vehicle Fuels** – This would levy an “occupation tax” on businesses selling motor fuel (i.e., gasoline and diesel) at the retail level. City currently has the authority to impose such a tax.
8. **Special Funding Districts** - This option would look at creating districts for collecting assessments levied against affected properties for specified infrastructure improvements.
9. **Sanitary and Improvement Districts** – This option would expand the use of SID’s to fund infrastructure improvements internal to subdivisions.
10. **Reallocation of Existing Funds** – This option would consider reallocation or redirecting of existing taxes directly to street construction.